

One of the key ways in which Direct Mail differs from more “traditional” media is that its individual elements can be tested. When you test a mailing (whether it be the offer, the list or the creative) you have a golden opportunity. Because, before you spend your Direct Mail budget, you can determine, in a relatively short time frame, whether your mail piece will be a winner.

Thus, testing can save you from making a costly mistake. When you do a small test mailing and it does well, you can “roll it out” and mail it in greater quantities, knowing roughly what to expect.

Let’s say that you’ve been mailing out postcards to customers from time to time and they’ve done pretty well for your business. What would happen if you sent out a brochure, instead? With Direct Mail, you can test them both and find out. Do a small sample mailing and send half your customers the postcard and the other half the new brochure.

By testing on a small group now, you can avoid costly mistakes later.

In this example, your postcard is the “control.” The control refers to the mail piece that’s been the most successful for you. If you find that the brochure brings in even greater results, then it becomes the new control, the benchmark against which all your other Direct Mail pieces will be measured.

## Why test?

Testing gives you a predictive model that makes your mailing as cost-effective as possible. When combined with getting new lists by profiling your best customers, you can create a double predictive model that can help assure you that your piece will be both well-received and effective.

### 6 key things to test are:

- Offer
- Price
- Product
- Creative
- Mail package format
- Seasonality/timing



## What to test?

The best factors to test are those elements that will have the greatest impact on your response rate. A variety of things, from creative format (letter, brochure, postcard), to copy (long vs. short), to color vs. black and white, to mailing lists, to offers/prices, can give you valuable test results. Make sure you set a learning objective for the test. And to make sure that you have clear results, be sure to test only one variable at a time.

## When to test?

- *When you want to fine-tune a successful mailing for even greater results*
- *When your cost-per-order isn't quite what you'd hoped*
- *When you have new creative that you think could do well, but need further justification to "roll out"*
- *When you're interested in expanding your market with a wider list*
- *When something in your marketing mix changes, like price or offer*
- *When you're introducing a new product*



—DIRECT MAIL BY THE NUMBERS

Testing is a very common—and successful—way to determine your best format/offer/creative. And it’s especially important if you decide to test price points. That’s because, if you’re testing \$100 versus \$80, the difference could be what makes the hoped-for ROI realistic.

If you’re going to test your list, it’s important that you select the names randomly so you can maintain your control of the variables and get valid results. It’s pretty easy to select random samples for list tests, because list brokers and ad managers of publications already have systems set up to help you. To conduct a reliable test, you need to rent a “test panel,” selected randomly by the computer.

Send two name mailings with random selections from each list and compare results. If one list outperforms the other, what was the variable? Be certain of what it is you’ve tested. Was it HHI (household income), education levels, ages? Try to make it as clear as possible before you begin.

# Identifying your variables

**It is crucial that you carefully identify the variable in each test.**

- *Use “key codes,” numbers and/or letters to help identify your mail piece. Make sure your key codes will tell you which list the responder came from.*
- *Test only one variable at a time. To put it bluntly, if you try to test more than one variable at a time, you’ve tested nothing, because you won’t have any way of knowing which variable worked and which didn’t.*
- *Use sufficient test quantities.*
- *“Drop” or mail your tests at the same time. Why make timing another variable?*
- *Continue to test and improve your results.*

Since it’s impossible to control all the variables, it’s crucial that you keep your testing and tracking methods as simple as possible. And naturally, the larger your test sample, the more reliable the results.

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**A basic rule of thumb:**

In order for your test to be “analyzable,” you should receive a minimum of **50** responses to the mailing. On a 5,000-piece mailing, this represents a 1% response rate, which is very respectable.



## Some typical *format* tests

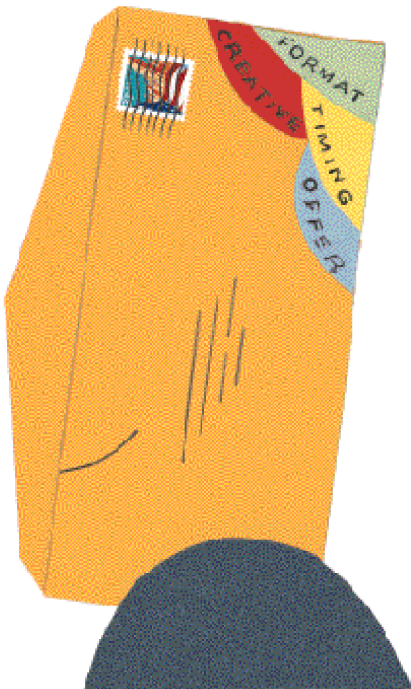
- Postcard vs. self-mailer
- Standard envelope vs. smaller monarch envelope
- “Live” postage vs. printed indicia or metering
- Window vs. closed-face envelope
- Lift note vs. no lift note
- Pre- or post-mailing postcard to boost response vs. mailing without one

## Ideas for *copy* tests

- Decide who signs the letter
- Headlines in brochure/ad
- Personalized vs. nonpersonalized
- Envelope teaser copy vs. blind envelope
- Handwriting in letter margins vs. no handwriting
- Testimonials or not
- Product photography with callouts

## Ideas for *offer* tests

- Free sample
- Quantity discount
- Request for referrals
- Method of payment: credit card/check/purchase order
- “Buy one, get one free,” “2 for the price of 1”
- Method of response: phone/mail/fax/e-mail



*After testing, you’ll have a better indication of what works and what doesn’t. Testing gives you valuable insight that will help you create even better and more successful Direct Mail campaigns.*

# Some testing “*don’ts*”

*Don’t*

mail to individuals who’ve received your test in the final rollout.

*Don’t*

make major decisions based on minor results. If there’s no clear “cause and effect,” don’t assume one exists.

*Don’t*

read non-tested factors into the results. If you didn’t test a variable, don’t assume it contributed to the final result.

*For example, if you didn’t test the copy and results were disappointing, don’t blame the copy. Stick with the results and make improvements where necessary depending on tested variables and results.*

*Don’t*

forget to follow up quickly. Timing may affect response, so roll out your offer quickly after the results are analyzed.

*Don’t*

forget to keep tabs on your program.

You should see, fairly quickly, how much response your offer will generate. A rule of thumb is that within one week, you’ll receive about **25%** of your total responses; within two weeks, **50%**; and within four weeks, **75%**. The last 25% will trickle in over the next few weeks.